



# CITY OF INGLEWOOD

## SUCCESSOR AGENCY



**DATE:** October 2, 2013

**TO:** Oversight Board to the City of Inglewood, as Successor Agency

**FROM:** City of Inglewood, as Successor Agency

**SUBJECT:** Adopt the Resolution Approving the Non-Housing Due Diligence Review (DDR) Report and Authorize the Submittal of the DDR to the California State Department of Finance, Pursuant to California Health and Safety Code Section 34179.6

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### **RECOMMENDATION:**

It is recommended that the Chair and Board Members of the Oversight Board adopt the Resolution approving the Non-Housing Fund Due Diligence Review (DDR) Report for the low and moderate income housing fund and authorize the submittal of the DDR to the California State Department of Finance pursuant to California Health and Safety Code Section 34179.6.

### **BACKGROUND:**

On June 28, 2011, Assembly Bill No. X1 26 ("Dissolution Act") was signed into law by the Governor of California which called for the dissolution of redevelopment agencies throughout the State and established certain procedures by which the dissolution process was to be accomplished. On December 29, 2011, the California State Supreme Court largely upheld the Dissolution Act as constitutional and reformed and extended certain dates, by which certain dissolution actions were to occur under the Dissolution Act, by an additional four months. As a result of the Supreme Court's decision, on February 1, 2012, all California redevelopment agencies were dissolved, including the Inglewood Redevelopment Agency, and successor agencies to the former redevelopment agencies were established and were tasked with paying, performing and enforcing the enforceable obligations of the former redevelopment agencies and winding down the affairs of the former redevelopment agencies.

On June 27, 2012, the State Legislature passed and the Governor signed Assembly Bill No. 1484 ("AB 1484", Chapter 26, Statutes 2012) as a trailer bill for the Fiscal Year 2012-2013 State budget package. Although the primary purpose of AB 1484 is to make technical and substantive amendments to the Dissolution Act based on issues that have arisen in the implementation of the Dissolution Act, AB 1484 also imposes additional statutory requirements relating to the activities and obligations of successor agencies and to the wind-down process of former redevelopment agencies (including the preparation of a due diligence review) (reference hereinafter to the Dissolution Act means Assembly Bill No. X1 26 as amended by AB 1484).

Pursuant to the Dissolution Act which can be found at California Health and Safety Code ("Health and Safety Code") Section 34179.5(a), in furtherance of Health and Safety Code Section 34177(d), required the City of Inglewood as Successor Agency ("Successor Agency") to employ a licensed accountant,

approved by the Los Angeles County Auditor-Controller, and with experience and expertise in local government accounting, to conduct a due diligence review ("Due Diligence Review") to determine the unobligated balances available for transfer to taxing entities. As an alternative, an audit provided by the Los Angeles County Auditor-Controller that provides the information required by Section 34179.5 may be used to comply with such Section with the concurrence of the Oversight Board of the Successor Agency ("Oversight Board").

Pursuant to the Dissolution Act of Health and Safety Code Section 34179.6(a), by October 1, 2012, the Successor Agency shall provide to the Oversight Board, the Los Angeles County Auditor-Controller, the State Controller, and the Department of Finance the results of the Due Diligence Review conducted pursuant to Section 34179.5 for the Low and Moderate Income Housing Fund ("NON-HOUSING FUND") the specific amount of cash and cash equivalents determined to be available for allocation to taxing entities. By December 15, 2012, the Successor Agency shall provide to the Oversight Board, the Los Angeles County Auditor-Controller, the State Controller, and the Department of Finance the results of the Due Diligence Review conducted pursuant to Section 34179.5 for all of the other fund and account balances and the specific amount of cash and cash equivalents determined to be available for allocation to taxing entities.

Pursuant to the Dissolution Act at Health and Safety Code Section 34179.6(b), the Oversight Board received the Due Diligence Review and convened a public comment session on September 25, 2013, which was at least five business days before the Oversight Board meeting set for October 2, 2013. On this date, the Oversight Board is to hold the approval vote specified in Section 34179.6(c). The Oversight Board also shall consider any opinions offered by the Los Angeles County Auditor-Controller on the Due Diligence Review results submitted by the Successor Agency. A letter was received by the Los Angeles County consultant with comments and that letter is attached to this staff report. A written response to those comments was prepared by the Successor Agency's consultant Mayer Hoffman & McCann P.C. and is also attached.

#### **DISCUSSION:**

As required by Health and Safety Code Section 34179.5(a), the Successor Agency retained the services of a licensed accountant, Mayer Hoffman & McCann P.C., a California Professional Corporation, to conduct the Due Diligence Review to determine the unobligated balances available for transfer to taxing entities in furtherance of Health and Safety Code Section 34177(d). Mayer Hoffman & McCann was specifically approved by the Los Angeles County Auditor-Controller to perform the Due Diligence Review.

As required by Health and Safety Code Section 34179.6(a), on September 19, 2013, Successor Agency submitted electronically to the Oversight Board, the Los Angeles County Auditor-Controller, the State Controller, and the Department of Finance the results of the Due Diligence Review conducted pursuant to Health and Safety Code Section 34179.5 for the Non-Housing Fund and the specific amount of cash and cash equivalents determined to be available for allocation to taxing entities. This amount is \$7,969,242 and is also based upon the Successor Agency being able to retain certain funds to cover cash insufficiencies for future expenditures through December 2013.

In accordance with Health and Safety Code Section 34179.6(b), on November 5, 2012, the Oversight Board opened the Public Comment Session on the Due Diligence Review for the non-housing funds and the results of the Due Diligence Review for the Non-Housing Fund conducted pursuant to Section

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Due Diligence Review Report  
October 2, 2013**

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34179.5 and the specific amount of cash and cash equivalents determined to be available for allocation to taxing entities.

In accordance with Health and Safety Code Section 34179.6(b), that meeting of the Oversight Board providing the statutorily required Public Comment Session was at least five business days before the current November 15, 2012 Oversight Board meeting for the approval vote specified in Section 34179.6(c) in connection with the results of the Due Diligence Review for the Non-Housing Fund and the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5.

At the November 5, 2012 Oversight Board meeting providing the Public Comment Session, in addition to the receipt of any public comments, the Oversight Board considered any opinions offered by the Los Angeles County Auditor-Controller on the Due Diligence Review results for the Non-Housing Funds submitted by the Successor Agency. However, no specific action of the Oversight Board was requested at that particular meeting by the Successor Agency or statutorily required by the Oversight Board.

At this meeting of the Oversight Board scheduled on October 2, 2013, specific approval will be requested by the Successor Agency of the Oversight Board as statutorily required by Health and Safety Code Section 34179.6 (c). Specifically, and as stated above, the Oversight Board is requested to review, approve, and transmit to the Department of Finance and the Los Angeles County Auditor-Controller the determination of the amount of cash and cash equivalents that are available for disbursement to taxing entities as determined according to the method provided in Section 34179.5 in connection with the results of the Due Diligence Review for the Non-Housing Fund. The Oversight Board may adjust any amount provided in the Due Diligence Review for the Non-Housing Fund to reflect additional information and analysis. The Oversight Board may request from the Successor Agency any materials it deems necessary to assist in its review and approval of the determination. Further, the Oversight Board shall be empowered to authorize the Successor Agency to retain certain assets or funds identified in the Due Diligence Review (identified by Section 34179.5(c)(5)(B)-(E)). With regard to this authorization, the Oversight Board shall identify to the Department of Finance the amount of funds authorized for retention, the source of those funds, and the purposes for which those funds are being retained. Any Oversight Board determination and authorization to retain funds and assets shall be subject to the review and approval of the Department of Finance.

In light of the results of the Due Diligence Review conducted pursuant to Health and Safety Code Section 34179.5 for the Non Housing Fund and the amount of cash and cash equivalents determined available for allocation to taxing entities specified therein, the Successor Agency does not have any specific comments to the Oversight Board at this time in connection with the Oversight Board's exercise of its authority pursuant to Health and Safety Code Section 34179.6(c) to adjust any amount provided in the Due Diligence Review for the Non-Housing Fund. At the time of submitting this staff report, Successor Agency staff has received no public comments. However, for any reason, including without limitation the extent there are any modifications to the amounts provided in the Due Diligence Review for the Non-Housing Fund and/or the amount of cash or cash equivalents determined available for allocation to taxing entities, the Successor Agency does not waive any legal or equitable rights that the Successor Agency may have to make any comments or recommendations to the Oversight Board and/or any other entity in connection with the Due Diligence Review, and to take any such actions, and the Successor Agency expressly reserves any and all rights, privileges, and defenses available under law and equity.

**ENVIRONMENTAL DETERMINATION:**

The activity of receiving the Due Diligence Review for the NON-HOUSING FUND and conducting the Public Comment Session is not a “project” for purposes of CEQA, as that term is defined by Guidelines Section 15378, because the activity is an organizational or administrative activity that will not result in a direct or indirect physical change in the environment, per Section 15378(b)(5) of the CEQA Guidelines.

**PREPARED BY:**

Margarita Cruz, Redevelopment Manager

**Attachments:**

1. Resolution
2. Due Diligence Review Report
3. Letter Submitted by Los Angeles County
4. Response to letter by Los Angeles County



## Mayer Hoffman McCann P.C.

An Independent CPA Firm

2301 Dupont Drive, Suite 200  
Irvine, California 92612  
949-474-2020 ph  
949-263-5520 fx  
www.mhm-pc.com

Oversight Board of the Successor Agency of the former Redevelopment Agency  
Of the City of Inglewood  
One Manchester Blvd.  
Inglewood, CA 90301

### **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

We have performed the procedures enumerated below, which were agreed to by the Successor Agency of the former Redevelopment Agency of the City of Inglewood (Successor Agency), the California Department of Finance, and the California State Controller's Office, solely to assist you in complying with the requirement for a due diligence review of the former Redevelopment Agency (excluding the Low and Moderate Income Housing Fund) and the Successor Agency pursuant to Section 34179.5(c) of the California Health and Safety Code. Management of the Successor Agency is responsible for the Successor Agency's compliance with the California Health and Safety Code. This engagement to apply agreed-upon procedures was performed in accordance with the attestation standards established by the *American Institute of Public Accountants* for such engagements. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the specified items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Our procedures and results were as follows:

1. We obtained from the Successor Agency a listing of all assets (at their recorded book values) that were transferred from the former redevelopment agency to the Successor Agency on February 1, 2012. We agreed the amounts on this listing to account balances established in the accounting records of the Successor Agency.

Results: On February 1, 2012, \$14,943,009 of cash and \$1,494 of accounts receivable were transferred to the Successor Agency fund. We agreed the balances of assets and liabilities on this date to the accounting records and other supporting documents. See additional asset detail on EXHIBIT B.

2. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:
  - a. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to the city, county, or city and county that formed the redevelopment agency for the period from January 1, 2011 through January 31, 2012.

Results: The State Controller's Office has not completed the review of transfers. The former redevelopment agency transferred funds to the City of Inglewood during the period from January 1, 2011 through January 31, 2012. The transfers were made pursuant to a

Cooperative Agreement dated January 25, 2011, under which the City of Inglewood agreed to accept these assets and continue the redevelopment programs previously performed by the Redevelopment Agency. Under the terms of this Cooperative Agreement, the City has continued to expend the assets of the former Redevelopment Agency. As indicated in EXHIBIT D entitled "Assets Transferred to the City of Inglewood", \$153,757,265 of assets were transferred to the City of Inglewood during the period from January 1, 2011 and January 31, 2012. The balances of these transferred assets as of June 30, 2012 were added back to the summary computation of balances available for remittance to the county (EXHIBIT A) based upon their balances as of June 30, 2012. Assets transferred to the City of Inglewood included \$116,090,982 of cash. As a result of continued program activity, as of June 30, 2012, the balance of available cash had declined to \$91,814,342 (see EXHIBIT D). An analysis of the activity for these transferred amounts is set forth in EXHIBIT F.

- b. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to the city, county, or city and county that formed the redevelopment agency for the period from February 1, 2012 through June 30, 2012.

Results: The State Controller's Office has not completed the review of transfers. As of June 30, 2012, the balance of assets transferred from the former redevelopment agency (excluding the low and moderate income housing fund) was \$129,480,625. The transferred assets were in the form of cash, land held for resale, and capital assets to the City of Inglewood. See EXHIBIT D.

- c. For each transfer, we obtained the legal document that formed the basis for the enforceable obligation that required any transfer.

Results: The State Controller's Office has not completed the review of transfers. The former redevelopment agency (excluding the low and moderate income housing fund) transferred funds to the City of Inglewood during the period from January 1, 2011 through January 31, 2012. The transfers were made pursuant to a Cooperative Agreement dated January 25, 2011, under which the City of Inglewood agreed to accept these assets and continue the redevelopment programs previously performed by the Redevelopment Agency. Under the terms of this Cooperative Agreement, the City has continued to expend the assets of the former Redevelopment Agency. As indicated in EXHIBIT D entitled "Assets Transferred to the City of Inglewood", \$153,757,265 of assets were transferred to the City of Inglewood during the period from January 1, 2011 and January 31, 2012. The balances of these transferred assets as of June 30, 2012 were added back to the summary computation of balances available for remittance to the county (EXHIBIT A) based upon their balances as of June 30, 2012. Assets transferred to the City of Inglewood included \$116,090,982 of cash. As a result of continued program activity, as of June 30, 2012, the balance of available cash had declined to \$91,814,342 (see EXHIBIT D). An analysis of the activity for these transferred amounts is set forth in EXHIBIT F.

3. If the State Controller's Office has completed its review of transfers required under both Sections 34167.5 and 34178.8 and issued its report regarding such review, attach a copy of that report as an exhibit to the AUP report. If this has not yet occurred, perform the following procedures:

- a. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the former redevelopment agency to any other public agency or to private parties for the period from January 1, 2011 through January 31, 2012.

Results: The Agency represented that no transfers were made from the former redevelopment agency to any other public agency or to private parties for the period January 1, 2011 through January 31, 2012.

- b. We obtained a listing prepared by the Successor Agency of transfers (excluding payments for goods and services) from the Successor Agency to any other public agency or private parties for the period from February 1, 2012 through June 30, 2012.

Results: The Agency represented that no transfers were made from the former redevelopment agency to any other public agency or to private parties for the period February 1, 2012 through June 30, 2012.

- c. For each transfer, we obtained the legal document that formed the basis for the enforceable obligation that required any transfer.

Results: The Agency represented that no transfers were made from the former redevelopment agency to any other public agency or to private parties for the periods indicated above.

4. We obtained from the Successor Agency a summary of the financial transactions of the Redevelopment Agency and the Successor Agency in the format set forth in the California State Controller's Office's procedures for the fiscal year ended September 30, 2010, the fiscal year ended September 30, 2011, the period October 1, 2011 through January 31, 2012, and the period February 1, 2012 through June 30, 2012. For each period presented, we determined that the total of revenues, expenditures, and transfers accounted fully for the changes in equity from the previous fiscal period. We compared amounts in the schedule relevant to the fiscal year ending September 30, 2010 to the state controller's report filed for the Redevelopment Agency for that period.

Results: There were no exceptions as a result of our procedures. The schedule is presented at EXHIBIT B.

5. We obtained from the Successor Agency a listing of all assets as of June 30, 2012. We also agreed the assets so listed to recorded balances reflected in the accounting records of the Successor Agency.

Results: The listing of assets is included in EXHIBIT B. As of June 30, 2012, the only assets of the Successor Agency was \$21,072,640 held in the form of cash and \$2,394 of accounts receivable. We agreed the asset balances to the recorded balances reflected in the accounting records of the Successor Agency.

6. We obtained from the Successor Agency a listing of asset balances held on June 30, 2012 that are restricted for specific purposes and performed the following procedures:

- a. Unspent bond proceeds:

- i. We obtained the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures, amounts set aside for debt service payments, etc.).
- ii. Trace individual components of this computation to related account balances in the accounting records, or to other supporting documentation (specify in the AUP report a description of such documentation).
- iii. Obtain from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances.

Results: Unspent bond proceeds of \$96,533,260 are restricted by the bond legal documents for capital projects and the repayment of the bonds. The unspent bond proceeds at June 30, 2012 are presented in EXHIBIT E. We verified the bonds were listed on the approved ROPS and reviewed the bond legal documents to verify the restriction.

b. Grant proceeds and program income that are restricted by third parties:

- i. We obtained the Successor Agency's computation of the restricted balances.
- ii. We traced individual components of this computation to related account balances in the accounting records, or to other supporting documentation.
- iii. We obtained from the Successor Agency a copy of the grant agreement that sets forth the restriction pertaining to these balances.

Results: This procedure is not applicable.

c. Other assets considered to be legally restricted:

- i. We obtained the Successor Agency's computation of the restricted balances (e.g., total proceeds less eligible project expenditures).
- ii. We traced individual components of this computation to related account balances in the accounting records, or to other supporting documentation.
- iii. We obtained from the Successor Agency a copy of the legal document that sets forth the restriction pertaining to these balances.

Results: This procedure is not applicable.

- d. We attached the above mentioned Successor Agency prepared schedule(s) as an exhibit to the AUP report. For each restriction identified on these schedules, we indicated in the report the period of time for which the restrictions are in effect.

Results: See EXHIBIT E.

7. We obtained from the Successor Agency a listing of assets as of June 30, 2012 that are not liquid or otherwise available for distribution (such as capital assets, land held for resale, long-term receivables, etc.) and ascertained if the values are listed at either purchase cost (based on book



value reflected in the accounting records of the Successor Agency) or market value as recently estimated by the Successor Agency.

- a. If the assets were listed at purchase cost, we traced the amounts to a previously audited financial statement (or to the accounting records of the Successor Agency) and noted any differences.
- b. For any differences noted in 6(a), we inspected evidence of disposal of the asset and ascertained that the proceeds were deposited into the Successor Agency trust fund. If the differences are due to additions, we inspected supporting documentation and noted the circumstance.
- c. If the assets were listed at recently estimated market value, we inspected the evidence (if any) supporting the value and noted the methodology used.

Results: The listing of assets that were transferred to the City that are not liquid are presented in EXHIBIT C. Capital asset amounts and land held for resale amounts agreed with detailed subsidiary records. All amounts in the exhibit are reported at cost.

8. We performed the following procedures:

- a. For assets balance needed to be retained to satisfy enforceable obligations, we obtained from the Successor Agency an itemized schedule of asset balances (resources) as of June 30, 2012 that are dedicated or restricted for the funding of enforceable obligations and performed the following procedures:
  - i. We compared all information on the schedule to the legal documents that form the basis for the dedication or restriction of the resource balance in question.
  - ii. We compared all current balances to the amounts reported in the accounting records of the Successor Agency or to an alternative computation.
  - iii. We compared the specified enforceable obligations to those that were included in the final Recognized Obligation Payment Schedule approved by the California Department of Finance.
  - iv. We attached EXHIBIT G to the report the listing obtained from the Successor Agency. We also identified in the report any listed balances for which the Successor Agency was unable to provide appropriate restricting language in the legal document associated with the enforceable obligation.

Results: There are no dedicated or restricted balances other than those included elsewhere in this report.

- b. If future revenues together with balances dedicated or restricted to an enforceable obligation are insufficient to fund future obligation payments and thus retention of current balances is required, we obtained from the Successor Agency a schedule of approved enforceable obligations that included a projection of the annual spending requirements to satisfy each obligation and a projection of the annual revenues available to fund those requirements and performed the following procedures:

- i. We compared the enforceable obligations to those that were approved by the California Department of Finance.
- ii. We compared the forecasted annual spending requirements to the legal document supporting each enforceable obligation by obtaining from the Successor Agency its assumptions relating to the forecasted annual spending requirements and disclose in the report major assumptions associated with the projections.
- iii. For the forecasted annual revenues, we obtained the assumptions for the forecasted annual revenues and disclosed the major assumptions associated with the projections.

Results: Management believes future revenues from RPTTF will be sufficient to pay enforceable obligations as they become due.

- c. If projected property tax revenues and other general purpose revenues that were received by the Successor Agency are insufficient to pay bond debt service payments, we obtained from the Successor Agency a schedule demonstrating this insufficiency and applied the following procedures to the information reflected in that schedule:
  - i. We compared the timing and amounts of bond debt service payments to the related bond debt service schedules in the bond agreement.
  - ii. We obtained the assumptions for the forecasted property tax revenues and disclose major assumptions associated with the projections.
  - iii. We obtained the assumptions for the forecasted other general purpose revenues and disclose major assumptions associated with the projections.

Results: Management believes future revenues from RPTTF will be sufficient to pay enforceable obligations as they become due.

- d. If procedures, A, B, or C were performed, we calculated the amount of current unrestricted balances necessary for retention in order to meet the enforceable obligations by performing the following procedures:
  - i. We combined the amount of identified current dedicated or restricted balances and the amount of forecasted annual revenues to arrive at the amount of total resources available to fund enforceable obligations.
  - ii. We reduced the amount of total resources available by the amount forecasted for the annual spending requirements.

Results: This procedure is not applicable.

9. For cash balances as of June 30, 2012 that need to be retained to satisfy obligations on the Recognized Obligation Payment Schedule (ROPS) for the period of July 1, 2012 through June 30, 2013, we obtained a copy of the final ROPS for the period of July 1, 2012 through December 31, 2012 and a copy of the final ROPS for the period January 1, 2013 through June 30, 2013.

Results: Management believes future revenues from RPTTF will be sufficient to pay enforceable obligations as they become due.

10. We have included a schedule detailing the computation of the Balance Available for Allocation to Affected Taxing Entities.

Results: See EXHIBIT A. The amount to be remitted to the County for disbursement to taxing entities is \$7,969,242.

11. We obtained a representation letter from management acknowledging their responsibility for the data provided to the practitioner and the data presented in the report or in any attachments to the report.

Results: Required representations were obtained from management.

This letter is intended solely for the information and use of the Oversight Board of the Successor Agency of the former Redevelopment Agency of the City of Inglewood, the Successor Agency of the former Redevelopment Agency of the City of Inglewood, the California Department of Finance, the California State Controller's Office, and the County of Los Angeles' Auditor-Controller's Office and is not intended to be and should not be used by anyone other than those specified parties.

*Meyer Hoffman Melman P.C.*

Irvine, California  
August 21, 2013

SUCCESSOR AGENCY OF THE INGLEWOOD REDEVELOPMENT AGENCY  
Summary of Balances Available for Allocation to Affected Taxing Entities  
June 30, 2012

SUMMARY OF BALANCES AVAILABLE FOR ALLOCATION TO AFFECTED TAXING ENTITIES

Total amount of assets held by the successor agency as of June 30, 2012 (Non-Housing)	\$ 21,060,925
Balance as of June 30 of any assets transferred to the city	129,480,625
Restricted cash - unspent bond proceeds	(82,178,616)
Restricted cash - unspent bond proceeds, reserve accounts	(14,354,644)
Restricted for payment of enforceable obligation (RPTTF) - Received from County in June 2012	(6,812,853)
Less assets that are not cash or cash equivalents (i.e. physical assets, long-term receivables, etc.)	
Real property - capital assets, net	(5,628,161)
Real property - land held for resale	<u>(31,979,826)</u>
Subtotal	<u>9,587,450</u>
Less:	
Approved ROPS 1 Expenditures incurred and paid after June 30, 2012 - Exhibit G	(500,893)
Approved ROPS 2 Expenditures incurred and paid after June 30, 2012 - Exhibit G	(493,920)
Approved ROPS 3 Expenditures incurred and paid after June 30, 2012 - Exhibit G	<u>(623,395)</u>
Amount to be remitted to county for disbursement to taxing entities	<u>\$ 7,969,242</u>

**[The above schedule is subject to adjustments that may be made by the California Department of Finance at the time of their review]**

SUCCESSOR AGENCY OF THE INGLEWOOD REDEVELOPMENT AGENCY  
Summary of Financial Transactions  
6/30/2012

	Redevelopment Agency 12 Months Ended 9/30/10	Redevelopment Agency 12 Months Ended 9/30/11	Redevelopment Agency 4 Months Ended 1/31/2012	Successor Agency 5 Months Ended 6/30/12		
				Housing	Non-Housing	Total
<b>Assets:</b>						
Cash and investments	\$ 168,950,504	\$ 15,000,291	\$ 14,943,009	\$ 14,109	\$ 21,058,531	\$ 21,072,640
Accounts receivable	17,994	1,494	1,494	-	2,394	2,394
Interest receivable	111,704	-	-	-	-	-
Loans receivable	12,225,465	-	-	-	-	-
Land held for resale	29,820,732	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 211,126,399</b>	<b>\$ 15,001,785</b>	<b>\$ 14,944,503</b>	<b>\$ 14,109</b>	<b>\$ 21,060,925</b>	<b>\$ 21,075,034</b>
<b>Liabilities:</b>						
Retention payable	\$ -	\$ -	\$ -	\$ 15,198	\$ -	\$ 15,198
Accounts payable	798,779	-	-	-	-	-
Deferred revenue	5,319,819	-	-	-	-	-
Customer deposits and funds held for others	356,000	385,976	351,956	20,000	108,025	128,025
<b>Total Liabilities</b>	<b>\$ 6,474,598</b>	<b>\$ 385,976</b>	<b>\$ 351,956</b>	<b>\$ 35,198</b>	<b>\$ 108,025</b>	<b>\$ 143,223</b>
<b>Equity</b>	<b>204,651,801</b>	<b>14,615,809</b>	<b>14,592,547</b>	<b>(21,089)</b>	<b>20,952,900</b>	<b>20,931,811</b>
<b>Total Liabilities + Equity</b>	<b>\$ 211,126,399</b>	<b>\$ 15,001,785</b>	<b>\$ 14,944,503</b>	<b>\$ 14,109</b>	<b>\$ 21,060,925</b>	<b>\$ 21,075,034</b>
<b>Total Revenues:</b>	<b>\$ 22,400,126</b>	<b>\$ 12,626,352</b>	<b>\$ 3,634,283</b>	<b>\$ -</b>	<b>\$ 6,820,681</b>	<b>\$ 6,820,681</b>
<b>Total Expenditures/Expenses:</b>	<b>26,724,805</b>	<b>15,153,589</b>	<b>3,657,545</b>	<b>21,089</b>	<b>12,310,080</b>	<b>12,331,169</b>
<b>Interfund transfers in</b>	<b>22,689,141</b>	<b>15,695,467</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interfund transfers out</b>	<b>(22,689,141)</b>	<b>(15,695,467)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transfers from the City</b>	<b>23,554</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,826,490</b>	<b>11,826,490</b>
<b>Transfers to the City</b>	<b>(803,200)</b>	<b>(187,508,755)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in equity</b>	<b>(5,104,325)</b>	<b>(190,035,992)</b>	<b>(23,262)</b>	<b>(21,089)</b>	<b>6,337,091</b>	<b>6,316,002</b>
<b>Beginning Equity:</b>	<b>209,756,126</b>	<b>204,651,801</b>	<b>14,615,809</b>	<b>-</b>	<b>14,615,809</b>	<b>14,615,809</b>
<b>Ending Equity:</b>	<b>\$ 204,651,801</b>	<b>\$ 14,615,809</b>	<b>\$ 14,592,547</b>	<b>\$ (21,089)</b>	<b>\$ 20,952,900</b>	<b>\$ 20,931,811</b>
<b>Capital assets</b>	<b>\$ 5,628,161</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Long-term debt</b>	<b>\$ 158,480,924</b>	<b>154,135,924</b>	<b>154,135,924</b>	<b>-</b>	<b>154,135,924</b>	<b>154,135,924</b>

## SUCCESSOR AGENCY OF THE INGLEWOOD REDEVELOPMENT AGENCY

## Not Liquid Assets

6/30/2012

<u>Not Liquid Assets</u>	<u>Cost at 6/30/12</u>
Not Liquid Investments:	
Buildings, net of accumulated depreciation (\$2,568,839)	\$    4,918,161
Land	<u>        710,000</u>
Total capital assets, net of accumulated depreciation	<u>        5,628,161</u>
Land held for resale	<u>        31,979,826</u>
Total Not Liquid Assets	<u><u>        \$    37,607,987</u></u>

SUCCESSOR AGENCY OF THE FORMER INGELWOOD REDEVELOPMENT AGENCY  
 Assets Transferred to the City of Inglewood  
 6/30/2012

Assets Transferred	Asset Balance at Time of Transfer	Asset Balance as of 6/30/2012	Approved by CA DOF	Reason for Transfer
Real property	\$ 31,979,826	\$ 31,979,826	Yes	For ongoing activities administered by the City.
Cash	116,090,982	91,814,342	No	For ongoing activities administered by the City.
Capital assets, net	5,628,161	5,628,161	n/a	
Interest receivable	<u>58,296</u>	<u>58,296</u>	No	For ongoing activities administered by the City.
Total Transfers	<u>\$ 153,757,265</u>	<u>\$ 129,480,625</u>		

*Exhibit F summarizes the accounting entries reflected in the accounting records of the City that account for the change in the transferred amounts from the date of the transfer to June 30, 2012.*

SUCCESSOR AGENCY OF THE INGLEWOOD REDEVELOPMENT AGENCY  
SCHEDULE OF UNSPENT BOND PROCEEDS - RESTRICTED CASH AND INVESTMENTS  
JUNE 30, 2012

<u>Bond Description</u>	<u>Unspent Bond Proceeds</u>	<u>On Approved ROPS</u>	<u>Enforceable Obligation</u>	<u>Maturity Date</u>
Merged Redevelopment Project Subordinate Lien Tax Allocation Bond Series 2007 A-1, A-T and A-H	\$ 85,052,316	Yes	A	2038
Merged Redevelopment Project Subordinate Lien Tax Allocation Bond Series 2003	6,957,804	Yes	B	2031
Merged Redevelopment Project Tax Allocation Refunding Bonds Series 2003A	1,494,090	Yes	C	2031
Merged Redevelopment Project Tax Allocation Refunding Bonds Series 1998A	<u>3,029,050</u>	Yes	D	2023
	<u>\$ 96,533,260</u>			

*A - Reviewed bond indenture dated November 1, 2007 that restricts use of funds.*

*B - Reviewed bond indenture dated July 1, 2003 that restricts use of funds.*

*C - Reviewed bond indenture dated May 1, 2003 that restricts use of funds.*

*D - Reviewed bond indenture dated November 1, 1998 that restricts use of funds.*



**SUCCESSOR AGENCY OF THE INGLEWOOD REDEVELOPMENT AGENCY**  
**Analysis of Changes in Cash Transferred to the City**  
**For the Period 2/1/2011 through 6/30/2012**

EXHIBIT F

The City claims these disbursements were either approved on ROPS 1 or for agreements in place prior to June 27, 2011

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>(Disbursements)/Receipts</u>	
2/23/2012	MSG - Forum Project	\$ (18,000,000.00)	\$ (18,000,000.00)	Long-term receivables
9/30/2011	Interest expense	\$ (349,991.00)	\$ (349,991.00)	
10/27/2011	1998A bond payment	(593,118.75)		
10/27/2011	2003A bond payment	(315,631.25)		
10/27/2011	2007A-T bond payment	(1,701,296.12)	\$ (2,610,046.12)	Bond payments - Nov 2011
4/27/2012	2007 Non-Housing	(2,606,298.73)		
4/26/2012	1998	(2,238,118.75)		
4/26/2012	2003A	(315,631.25)		
4/26/2012	2003	(1,125,873.24)	\$ (6,285,921.97)	Bond payments - May 2012
1/31/2012	Salaries/Benefits/M&O Exps	\$ (133,959.48)		
5/31/2012	Salaries/Benefits/M&O Exps	(197,841.70)	\$ (331,801.18)	Salaries/Benefits/M & O
7/7/2011	Wire transfer to HUD	\$ (2,191,107.25)		
5/4/2011	SERAF payment	(1,266,584.00)		
9/30/2011	20% LMI Set Aside	(2,122,372.00)		
9/30/2011	Pass-through payments	(3,884,222.00)		
1/31/2012	Special Expenses	(246,566.16)		
2/23/2012	Hollywood Park Project	(3,900,000.00)		
5/31/2012	Special Expenses	(233,035.67)		
11/11-1/12	Pass-through payments	(1,300,975.00)	\$ (15,144,862.08)	Contract Services/ Special Exp
11/30/2011	Interfund - Indirect Exps	\$ (166,217.37)		
11/30/2011	Interfund - Indirect Exps	(5,791.41)		
12/31/2011	Interfund - Indirect Exps	(166,217.44)		
12/31/2011	Interfund - Indirect Exps	(5,791.42)		
1/31/2012	Interfund - Indirect Exps	(166,217.44)		
1/31/2012	Interfund - Indirect Exps	(6.53)		
1/31/2012	Interfund - Indirect Exps	1,258.81		
1/31/2012	Interfund - Indirect Exps	(5,791.42)		
1/31/2012	Interfund - Indirect Exps	(166,217.44)		
2/29/2012	Interfund - Indirect Exps	(166,217.44)		
2/29/2012	Interfund - Indirect Exps	(5,791.41)		
3/31/2012	Interfund - Indirect Exps	(166,217.37)		
3/31/2012	Interfund - Indirect Exps	(5,791.42)	\$ (1,025,009.30)	Interfunds/Itc Charges
10/31/2011	Printing/Postage	\$ (8.96)		
11/30/2011	Printing/Postage	(17.11)		
11/30/2011	Printing/Postage	(158.08)		
1/10/2012	Printing/Postage	(2.56)		
1/31/2012	Printing/Postage	(63.35)		
1/31/2012	Printing/Postage	(0.65)		
2/29/2012	Printing/Postage	(8.50)		
3/31/2012	Printing/Postage	(29.17)		
3/31/2012	Printing/Postage	(33.65)		
3/31/2012	Printing/Postage	(318.90)		
4/30/2012	Printing/Postage	(4.00)		
5/31/2012	Printing/Postage	(12.45)	\$ (657.38)	Postage/Printing
10/31/2011	Investment Expense	\$ (1,316.93)		
1/26/2012	Investment Expense	(1,014.47)		
1/31/2012	Investment Expense	(965.31)		
2/22/2012	Investment Expense	(964.81)		
3/26/2012	Investment Expense	(964.38)		
4/17/2012	Investment Expense	(963.88)		
5/14/2012	Investment Expense	(963.37)		
5/14/2012	Investment Expense	(605.11)	\$ (7,758.26)	Investment Expense

**SUCCESSOR AGENCY OF THE INGLEWOOD REDEVELOPMENT AGENCY**  
**Analysis of Changes in Cash Transferred to the City**  
**For the Period 2/1/2011 through 6/30/2012**

EXHIBIT F

The City claims these disbursements were either approved on ROPS 1 or for agreements in place prior to June 27, 2011

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>(Disbursements)/Receipts</u>	
11/23/2011	El Camino College-Pass thru	\$ (96,878.74)	\$ (96,878.74)	El Camino College-pass thru
11/23/2011	Vons Note	\$ (23,194.80)	\$ (23,194.80)	Von's Note Payable
1/31/2012	Billboard/Hollywood Pk Sign Fees	\$ (720.00)		
2/23/2012	Billboard/Hollywood Pk Sign Fees	2,625.00		
2/27/2012	Billboard/Hollywood Pk Sign Fees	2,750.00		
2/29/2012	Billboard/Hollywood Pk Sign Fees	2,625.00		
3/5/2012	Billboard/Hollywood Pk Sign Fees	1,500.00		
3/22/2012	Billboard/Hollywood Pk Sign Fees	2,750.00		
3/28/2012	Billboard/Hollywood Pk Sign Fees	2,750.00		
3/28/2012	Billboard/Hollywood Pk Sign Fees	8,325.00		
4/3/2012	Billboard/Hollywood Pk Sign Fees	1,500.00		
5/1/2012	Billboard/Hollywood Pk Sign Fees	1,450.00		
5/10/2012	Billboard/Hollywood Pk Sign Fees	2,625.00		
5/12/2012	Billboard/Hollywood Pk Sign Fees	1,500.00		
5/17/2012	Billboard/Hollywood Pk Sign Fees	2,125.00		
5/30/2012	Billboard/Hollywood Pk Sign Fees	1,350.00		
5/31/2012	Billboard/Hollywood Pk Sign Fees	1,625.00		
5/31/2012	Billboard/Hollywood Pk Sign Fees	4,350.00		
5/31/2012	Billboard/Hollywood Pk Sign Fees	1,500.00		
6/6/2012	Billboard/Hollywood Pk Sign Fees	1,500.00		
6/7/2012	Billboard/Hollywood Pk Sign Fees	2,705.59		
6/25/2012	Billboard/Hollywood Pk Sign Fees	6,250.00	\$ 51,085.59	Billboard/Hollywood Pk Sign Fees
10/31/2011	Interest earnings	\$ 731.24		
10/31/2011	Interest earnings	7,698.78		
10/31/2011	Interest earnings	344.11		
10/31/2011	Interest earnings	3,622.96		
10/31/2011	Interest earnings	0.03		
10/31/2011	Interest earnings	0.01		
10/31/2011	Interest earnings	26.46		
10/31/2011	Interest earnings	93.14		
11/30/2011	Interest earnings	1,300.92		
11/30/2011	Interest earnings	7,956.33		
11/30/2011	Interest earnings	3,744.15		
1/26/2012	Interest earnings	116.40		
1/26/2012	Interest earnings	8.79		
1/31/2012	Interest earnings	84.18		
1/31/2012	Interest earnings	2,608.91		
1/31/2012	Interest earnings	0.02		
1/31/2012	Interest earnings	117.98		
1/31/2012	Interest earnings	2.25		
1/31/2012	Interest earnings	1,259.12		
1/31/2012	Interest earnings	7,700.71		
1/31/2012	Interest earnings	3,623.87		
3/31/2012	Interest earned - 2003	1,279.98		
2/21/2012	Interest earned - 2003	1,301.25		
2/21/2012	Interest earned - 2007	3,745.12		
2/21/2012	Interest earned - 2007	7,958.39		
3/31/2012	Interest earned - 2007	3,714.87		
3/31/2012	Interest earned - 2007	7,894.09		
4/12/2012	Interest earned - 2003	695.94		
4/12/2012	Interest earned - 2007	2,900.26		
4/12/2012	Interest earned - 2007	6,163.04		
5/14/2012	Interest earned - 2003	720.11		
5/14/2012	Interest earned - 2003	744.02		
5/14/2012	Interest earned - 2007	3,001.98		
5/14/2012	Interest earned - 2007	3,101.67		
5/14/2012	Interest earned - 2007	6,379.22		
5/14/2012	Interest earned - 2007	6,591.05	\$ 97,231.35	Interest earnings

**SUCCESSOR AGENCY OF THE INGLEWOOD REDEVELOPMENT AGENCY**  
**Analysis of Changes in Cash Transferred to the City**  
**For the Period 2/1/2011 through 6/30/2012**

EXHIBIT F

The City claims these disbursements were either approved on ROPS 1 or for agreements in place prior to June 27, 2011

<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>(Disbursements)/Receipts</u>	
10/31/2011	Investment earnings	\$ 55,250.00		
1/26/2012	Investment earnings	15,625.00		
1/26/2012	Investment earnings	0.01		
2/22/2012	Investment earnings	0.03		
2/22/2012	Investment earnings	87.37		
2/22/2012	Investment earnings	269.31		
2/22/2012	Investment earnings	8.45		
2/22/2012	Investment earnings	1,513.08		
3/26/2012	Investment earnings	87.13		
3/26/2012	Investment earnings	183.91		
4/17/2012	Investment earnings	81.42		
4/17/2012	Investment earnings	190.77		
4/17/2012	Investment earnings	818.74		
5/14/2012	Investment earnings	12.26		
5/14/2012	Investment earnings	46.26		
5/14/2012	Investment earnings	86.99		
5/14/2012	Investment earnings	148.86		
5/14/2012	Investment earnings	329.97		
5/14/2012	Investment earnings	15,625.00		
5/14/2012	Investment earnings	24,750.00		
5/14/2012	Investment earnings	400.00	\$ 115,514.56	Investment earnings
9/30/2011	Property taxes Feb 2011-Sept 2011	\$ 11,817,766.00		
1/9/2012	Property taxes Nov 2011	806,012.73		
1/10/2012	Property taxes Dec 2011	4,568,174.22		
1/31/2012	Property taxes Jan 2012	640,119.34		
1/31/2012	3 months of 20% set aside	1,503,577.00	\$ 19,335,649.29	Property taxes
Activity 10/1/2011 to 6/30/2012		<u>\$ (24,276,640.04)</u>	<u>\$ (24,276,640.04)</u>	
Cash Transfer 2/1/11			\$ 116,090,982.00	
Activity 2/1/2011-6/30/2012			(24,276,640.04)	
Cash @ 6/30/2012			<u>\$ 91,814,341.96</u>	

## Detailed Listing of Approved ROPS Expenditures

Incurred/Paid After 6/30/2012

Bergman & Dacey	Legal Services	\$	146,035
DHA	Financial Svs. SA		40,239
Eco & Assoc.	Environmental		8,119
Tierra West	Economic Svs.		11,043
Keyser Marston	Economic Svs.		20,494
Partners in Progress	Annual Marketing Fee		10,000
Regional Water Quality Cntr.	Environmental Reg.		8,000
Ninyo & Moore	Soil Groundwater Ass.		18,172
Gwyne Pugh	Sen. Cnt. Architect		23,180
Nickerson	Demolition Support		20,000
Millenium	Asbestos- Lead Paint		7,428
ACC Consulting	Asbestos- Lead Paint		4,500
Winzler & Kelly/GHD	Asbestos- Lead Paint		9,308
NDC	Economic Dev. Svs.		15,000
Calif. Crusader	Advertise/Public Not.		3,000
Inglewood Today	Advertise/Public Not.		2,500
Office Supplies	Office Supplies		6,375
Postage	Postage		2,400
SCE Edison	Utilities		2,400
City of Inglewood	Education Reimburse		1,000
City of Inglewood	Training		1,700
Pilgrim Fencing	Fence Repair & Replacement		140,000
<b>Total ROPS I</b>		<b>\$</b>	<b>500,893</b>

Locust Street Senior Center	Gordon Anderson, project manager	\$	51,960
Locust Street Senior Center	Legal Services Construction		60,000
Groundwater monitoring	Demo/Osha Requirements		35,000
ABODE- 62 UNITS	Legal Support		51,000
MSG project implementation cost	Gordon Anderson, project manager		36,000
Admin. Expenses disallowed in RPTTF	I will follow up with the detail		211,960
KP AUTO	Legal services		48,000
<b>Total ROPS II</b>	<b>Total ROPS II</b>	<b>\$</b>	<b>493,920</b>

DISPOSITION-AB26 IMPLEMENATION	SOIL, GROUNDWATER ENVIRONMENTAL ASSESS	\$	110,000
DISPOSITION-AB26 IMPLEMENTATION	SOIL, GROUNDWATER ENVIRONMENTAL ASSESS		110,000
DISPOSITION-AB26 IMPLEMENTATION	SOIL, GROUNDWATER ENVIRONMENTAL ASSESS		110,000
LOCUST STREET SENIOR CENTER-	FACILITATOR/PUBLIC RELATIONS		15,600
LOCUST STREET SENIOR CENTER-	LEGAL SERVICES		184,995
LOCUST STREET SENIOR CENTER-	Construction Management/Design		25,000
PROJECT IMPLEMENTATION COST-	Facilitator for Project		7,800
PROJECT IMPLEMENTATION COST-	LEGAL SUPPORT FOR REHABILITATION OF PROJECT		60,000
<b>Total ROPS III</b>	<b>Total ROPS III</b>	<b>\$</b>	<b>623,395</b>
		<b>\$</b>	<b>1,618,208</b>